

January 7, 2022

**VIA ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 5073 – The Narragansett Electric Company d/b/a National Grid  
Purchase of Receivables Program Filing**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), enclosed please find an electronic version<sup>1</sup> of the Company’s first Purchase of Receivables (“POR”) Program filing.

Pursuant to R.I. Gen. Laws 39-1-27.3, and the Company’s Terms and Conditions for Munipal Aggregators, R.I.P.U.C. No. 2248 and Terms and Conditions for Nonregulated Power Producers, R.I.P.U.C. No. 2249, approved by the Commission during its December 21, 2021 Open Meeting as modified during the Commission’s discussion during the Open Meeting and submitted with the Commission on December 23, 2021, the Company submits the calculation of the Standard Complete Billing Percentages (“SCBPs”) proposed effective beginning on or around February 18, 2022 in Attachments 1 through 3.

The proposed SCBPs are as follows:

Residential: 1.99%  
Commercial: 0.92%  
Industrial: 0.40%

The Company is also providing the payment periods for the POR Program that will be in place beginning on or around February 18, 2022. The average historical payment periods for calendar year 2021, the most recent twelve month period available, are as follows:

Residential 57 days;  
Commercial 41 days; and  
Industrial 37 days.

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<sup>1</sup> Per communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

Luly Massaro, Commission Clerk  
Docket 5073 – Purchase of Receivables Program  
January 7, 2022  
Page 2 of 2

Thank you for your attention to this filing. If you have any questions concerning this matter, please do not hesitate to contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

Enclosures

cc: Docket 5073 Service List  
Leo Wold, Esq.  
John Bell, Division

The Narragansett Electric Company  
d/b/a National Grid

## **Purchase of Receivables Program Filing**

January 7, 2022

Submitted to:  
Rhode Island Public Utilities Commission  
R.I.P.U.C. Docket No. 5073

Submitted by:

**nationalgrid**

**Attachment 1**  
**Calculation of Standard Complete Billing Percentage**

The Narragansett Electric Company  
d/b/a National Grid  
Calculation of Standard Complete Billing Percentage

	<u>Total</u> (a)	<u>Residential</u> (b)	<u>Commercial</u> (c)	<u>Industrial</u> (d)
<b><u>Calculation of Standard Complete Billing Percentage (SCBPcg)</u></b>				
(1) Uncollectible Percentage (UPcg)	1.23%	1.75%	0.68%	0.16%
(2) Administrative Cost Percentage (ACPcg)	0.24%	0.24%	0.24%	0.24%
(3) Prior Period Reconciliation Percentage (PPRPcg)	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
(4) Standard Complete Billing Percentage (SCBPcg)	1.47%	1.99%	0.92%	0.40%

- (1) Attachment 2, Page 1, Line (3)
- (2) Attachment 3, Page 1, Line (7)
- (3) Zero
- (4) Line (1) + Line (2) + Line (3)

The Narragansett Electric Company  
d/b/a National Grid  
R.I.P.U.C. Docket No. 5073  
Purchase of Receivables Program

**Attachment 2**  
**Calculation of Uncollectible Percentage**

The Narragansett Electric Company  
d/b/a National Grid  
Calculation of Uncollectible Percentage

	<u>Total</u> (a)	<u>Residential</u> (b)	<u>Commercial</u> (c)	<u>Industrial</u> (d)
<b><u>Calculation of Uncollectible Percentage (UPcg)</u></b>				
(1) Total Uncollectible Expense	\$13,536,230	\$11,607,561	\$1,611,591	\$317,078
(2) Total Revenue	<u>\$1,097,034,973</u>	<u>\$664,420,433</u>	<u>\$237,869,579</u>	<u>\$194,744,960</u>
(3) Uncollectible Percentage	1.23%	1.75%	0.68%	0.16%

- (1) Page 3, Line (37)
- (2) per Company Customer Service System
- (3) Line (1) ÷ Line (2)

The Narragansett Electric Company  
d/b/a National Grid  
Uncollectibles Expense  
Calculation of Net Charge-Offs - (January 2021 - December 2021)

	Bad Debt Reserve at Beginning of <u>Month</u> (a)	Plus Additions to Reserve During <u>Month</u> (b)	Less Bad Debt Reserve At End <u>of Month</u> (c)	<u>Net Charge-Offs</u> (d)
(1) January 21	\$43,693,750	\$2,514,696	\$45,435,439	\$773,008
(2) February	\$45,435,439	(\$1,291,160)	\$43,391,271	\$753,007
(3) March	\$43,391,271	(\$2,142,583)	\$40,895,042	\$353,646
(4) April	\$40,895,042	\$10,473,708	\$50,804,755	\$563,995
(5) May	\$50,804,755	\$2,403,271	\$52,333,245	\$874,780
(6) June	\$52,333,245	\$3,056,258	\$53,965,464	\$1,424,039
(7) July	\$53,965,464	(\$3,360,783)	\$49,802,097	\$802,584
(8) August	\$49,802,097	(\$2,120,777)	\$46,600,171	\$1,081,150
(9) September	\$46,600,171	(\$4,431,577)	\$40,869,451	\$1,299,142
(10) October	\$40,869,451	\$1,188,237	\$39,807,935	\$2,249,752
(11) November	\$39,807,935	\$1,738,333	\$39,771,315	\$1,774,953
(12) December	<u>\$39,771,315</u>	<u>\$131,586</u>	<u>\$38,316,728</u>	<u>\$1,586,173</u>
(13) Total	\$43,693,750	\$8,159,208	\$38,316,728	\$13,536,230

(a) - (c) Per Company general ledger

(d) Column (a) + Column (b) - Column (c)

The Narragansett Electric Company  
d/b/a National Grid  
Allocation of Net Charge-Offs to Customer Groups - (January 2021 - December 2021)

	<u>Total</u>	<u>Residential</u> <u>(A-16, A-60)</u>	<u>Commercial</u> <u>(C-06, G-02, SL)</u>	<u>Industrial</u> <u>(B-32, G-32, X-01)</u>
	(a)	(b)	(c)	(d)
<b><u>Net Charge-Offs per Billing System</u></b>				
(1) January 21	\$841,738	\$669,916	\$172,014	(\$192)
(2) February	\$733,457	\$558,822	\$181,471	(\$6,835)
(3) March	\$320,757	\$209,626	\$111,131	\$0
(4) April	\$537,730	\$374,193	\$163,536	\$0
(5) May	\$849,835	\$577,983	\$73,890	\$197,963
(6) June	\$904,670	\$806,439	\$75,687	\$22,544
(7) July	\$752,322	\$685,425	\$94,243	(\$27,346)
(8) August	\$929,276	\$801,381	\$71,556	\$56,339
(9) September	\$1,166,111	\$954,843	\$167,198	\$44,070
(10) October	\$2,219,755	\$2,112,531	\$107,678	(\$453)
(11) November	\$1,623,987	\$1,473,283	\$150,704	\$0
(12) December	\$1,392,958	\$1,275,141	\$117,817	\$0
<b><u>Allocator Based on</u></b>				
<b><u>Net Charge-Offs per Billing System</u></b>				
(13) January 21	100.00%	79.59%	20.44%	-0.02%
(14) February	100.00%	76.19%	24.74%	-0.93%
(15) March	100.00%	65.35%	34.65%	0.00%
(16) April	100.00%	69.59%	30.41%	0.00%
(17) May	100.00%	68.01%	8.69%	23.29%
(18) June	100.00%	89.14%	8.37%	2.49%
(19) July	100.00%	91.11%	12.53%	-3.63%
(20) August	100.00%	86.24%	7.70%	6.06%
(21) September	100.00%	81.88%	14.34%	3.78%
(22) October	100.00%	95.17%	4.85%	-0.02%
(23) November	100.00%	90.72%	9.28%	0.00%
(24) December	100.00%	91.54%	8.46%	0.00%
<b><u>Allocation of Net Charge-Offs</u></b>				
<b><u>to Rate Classes and Customer Groups</u></b>				
(25) January 21	\$773,008	\$615,215	\$157,968	(\$176)
(26) February	\$753,007	\$573,716	\$186,308	(\$7,017)
(27) March	\$353,646	\$231,120	\$122,526	\$0
(28) April	\$563,995	\$392,471	\$171,524	\$0
(29) May	\$874,780	\$594,948	\$76,059	\$203,773
(30) June	\$1,424,039	\$1,269,415	\$119,138	\$35,486
(31) July	\$802,584	\$731,218	\$100,539	(\$29,173)
(32) August	\$1,081,150	\$932,353	\$83,250	\$65,547
(33) September	\$1,299,142	\$1,063,772	\$186,272	\$49,098
(34) October	\$2,249,752	\$2,141,079	\$109,133	(\$459)
(35) November	\$1,774,953	\$1,610,240	\$164,714	\$0
(36) December	<u>\$1,586,173</u>	<u>\$1,452,014</u>	<u>\$134,159</u>	<u>\$0</u>
(37) Calendar 2021	\$13,536,230	\$11,607,561	\$1,611,591	\$317,078

(1) - (12) Per Company reports of charge offs processed in Company Customer Service System

(13) - (24) Lines (1) through (12), each customer group as a percent of the total

(25) - (36) Column (a): Page 2, Lines (1) through (12), Column (d)

Columns (b), (c), (d): Column (a) x Lines (13) through (24) for each customer group

The Narragansett Electric Company  
d/b/a National Grid  
R.I.P.U.C. Docket No. 5073  
Purchase of Receivables Program

**Attachment 3**  
**Calculation of Administrative Cost Percentage**

The Narragansett Electric Company  
d/b/a National Grid  
Calculation of Administrative Cost Percentage

**Calculation of Administrative Cost Percentage (ACPcg)**

(1) Estimated Development and Implementation of Changes to Billing, Information and Accounting Systems	\$1,174,000
(2) Number of Years for Amortization	<u>3</u>
(3) Amortization of Implementation Costs per Year	\$391,333
(4) Estimated Ongoing annual Operating Costs	<u>\$0</u>
(5) Total Estimated Administrative Costs	\$391,333
(6) Total Amounts Billed for Generation Service	<u>\$165,453,173</u>
(7) Administrative Cost Percentage (ACPcg)	0.24%

- (1) Rhode Island Purchase of Receivables Program Approved IT Budget - \$1.174M
- (2) Per Terms and Conditions for Municipal Aggregators R.I.P.U.C. No. 2248 and Terms and Conditions for Nonregulated Power Producers R.I.P.U.C. No. 2249
- (3) Line (1) ÷ Line (2)
- (4) The Company is not including estimated ongoing expenses. The Company will include actual ongoing expenses in next year's Purchase of Receivables filing.
- (5) Line (3) + Line (4)
- (6) Per Company Customer Service System for twelve month period ending December 2021
- (7) Line (5) ÷ Line (6)

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



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Joanne M. Scanlon

January 7, 2022

Date

**Docket No. 5073 – Retail Energy Supply Association Petition for Implementation of Purchase of Receivables Program Service List updated 10/4/2021**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
<b>NRG Energy, Inc.</b> Craig Waksler, Esq. Eckert Seamans Cherin & Mellott, LLC Two International Place, 16 <sup>th</sup> Floor Boston, MA 02110	<a href="mailto:CWaksler@eckertseamans.com">CWaksler@eckertseamans.com;</a>	
	<a href="mailto:Kmoury@eckertseamans.com">Kmoury@eckertseamans.com;</a>	
	<a href="mailto:DODell@eckertseamans.com">DODell@eckertseamans.com;</a>	
<b>National Grid</b> Andrew Marcaccio, Esq. National Grid. 280 Melrose St. Providence, RI 02907	<a href="mailto:Andrew.Marcaccio@nationalgrid.com">Andrew.Marcaccio@nationalgrid.com;</a>	401-784-7263
	<a href="mailto:CELIA.OBRIEN@nationalgrid.com">CELIA.OBRIEN@nationalgrid.com;</a>	
	<a href="mailto:Jennifer.hutchinson@nationalgrid.com">Jennifer.hutchinson@nationalgrid.com;</a>	
	<a href="mailto:Juliana.Griffiths@nationalgrid.com">Juliana.Griffiths@nationalgrid.com;</a>	
	<a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com;</a>	
	<a href="mailto:Josh.Pasquariello@nationalgrid.com">Josh.Pasquariello@nationalgrid.com;</a>	
	<a href="mailto:Manprit.Aneja@nationalgrid.com">Manprit.Aneja@nationalgrid.com;</a>	
<b>Division of Public Utilities</b> Leo Wold, Esq. John Spirito, Esq. Division of Public Utilities and Carriers	<a href="mailto:Leo.wold@dpuc.ri.gov">Leo.wold@dpuc.ri.gov;</a>	
	<a href="mailto:John.spirito@dpuc.ri.gov">John.spirito@dpuc.ri.gov;</a>	
	<a href="mailto:Margaret.L.Hogan@dpuc.ri.gov">Margaret.L.Hogan@dpuc.ri.gov;</a>	
	<a href="mailto:John.bell@dpuc.ri.gov">John.bell@dpuc.ri.gov;</a>	
	<a href="mailto:Joel.Munoz@dpuc.ri.gov">Joel.Munoz@dpuc.ri.gov;</a>	
	<a href="mailto:eullucci@riag.ri.gov">eullucci@riag.ri.gov;</a>	
	<a href="mailto:Mfolcarelli@riag.ri.gov">Mfolcarelli@riag.ri.gov;</a>	
Kathy Kelly Carrie Gilbert Daymark Energy Advisors	<a href="mailto:kkelly@daymarkea.com">kkelly@daymarkea.com;</a>	
	<a href="mailto:cgilbert@daymarkea.com">cgilbert@daymarkea.com;</a>	

<b>Direct Energy Business LLC</b> Joseph A. Farside, Jr. Locke Lord LLP 2800 Financial Plaza Providence, RI 02903	<a href="mailto:Joseph.Farside@lockelord.com">Joseph.Farside@lockelord.com</a> ;	401-274-9200
<b>Good Energy, Inc.</b> James G. Rhodes, Esq. 205 Governor St. Providence, RI 02906	<a href="mailto:jamie.rhodes@goodenergy.com">jamie.rhodes@goodenergy.com</a> ; <a href="mailto:philip.carr@goodenergy.com">philip.carr@goodenergy.com</a> ; <a href="mailto:stefano@goodenergy.com">stefano@goodenergy.com</a> ; <a href="mailto:patrick@goodenergy.com">patrick@goodenergy.com</a> ;	401-225-3441
<b>File an original &amp; 9 copies w/:</b> Luly E. Massaro, Commission Clerk Cynthia Wilson-Frias, Counsel <b>Public Utilities Commission</b> 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ; <a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ; <a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ; <a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ; <a href="mailto:John.harrington@puc.ri.gov">John.harrington@puc.ri.gov</a> ;	401-780-2017
<b>Office of Energy Resources</b> Albert Vitali, Esq. Nicholas Ucci Christopher Kearns	<a href="mailto:Nicholas.ucci@energy.ri.gov">Nicholas.ucci@energy.ri.gov</a> ; <a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ; <a href="mailto:Nathan.Cleveland@energy.ri.gov">Nathan.Cleveland@energy.ri.gov</a> ;  <a href="mailto:Carrie.Gill@energy.ri.gov">Carrie.Gill@energy.ri.gov</a> ; <a href="mailto:Albert.vitali@doa.ri.gov">Albert.vitali@doa.ri.gov</a>	
Michael McElroy, Esq. McElroy & Donaldson	<a href="mailto:Michael@mcelroylawoffice.com">Michael@mcelroylawoffice.com</a> ;	
PPL Electric Utilities Ronald Reybitz Stephen Breininger	<a href="mailto:rjreybitz@pplweb.com">rjreybitz@pplweb.com</a> ;  <a href="mailto:skbreininger@pplweb.com">skbreininger@pplweb.com</a> ;	